

Summary Of Ancillary Service Meetings, Conference Calls and RRG Mtg

Summary of Meeting of 7/26

See Agenda Below

Attendees List Available Upon Request

Summary of Action Items-

Model and A/S Product and Services Updated by 7/31

Conference Call of 8/1 at 1-2pm

Speckman and Imperato to Present Material on Imbalance Energy by 8/7

Gary Stemler to present material on charges and payments week of 8/7

Dave Perrino to update Appendix week of 8/7

Deanna Phillips to alert the Implementation Group and act as liaison on the implementation options

Summary of Discussion

Items I-IX and XII

The two control area models (Consolidated and Avista) were discussed and it was agreed that a small group would work toward a compromise model. Carl Imperato and Randy Cloward and others would be involved as needed and a revised recommendation would be available for the work group to review prior to a conference call on the following Tuesday. The A/S products and services package prepared by Dave Perrino et al was also reviewed and it was to be revised and distributed to the group prior to the conference call. The material previously discussed regarding the NWPP Reserve Sharing Program was summarized again and it was agreed to take it to the RRG. Barney Speckman to develop language for the RRG presentation based upon the work groups consensus recommendation. It was planned to distribute a package to the RRG which included a revised control area model an updated version of the A/S products and services package and a power point presentation (to be prepared by Barney Speckman and reviewed by the work group)

Item X

It was agreed that this item would benefit from a more complete description of the situation before it should be taken to the RRG. BPA agreed to develop a more complete description prior to taking it to the RRG.

Items XI and XIII

It was agreed to recommend to the Legal Work Group that the way in which RMS agreements should be handled by the RTO was to asses the situation at the time of formation of the RTO and make a determination at that time (because planned legislation could dramatically change the options and pros and cons). Further is was recommended

that the agreements with the various parties who might be impacted by the RTO participating in a RMS program provide for the full range of possibilities for the RTO.

It was agreed that the following actions would be taken:

Carl and Barney would distribute material to Work group on Imbalance Energy Function by 8/7.

Dave Perrino agreed to continue to refine the Appendix to lower levels (more detail) to reflect the products and services agreed to to-date.

Gary Stemler agreed to take the lead in reviewing the charges and payment provisions related to A/S. This includes Sections 8 and 9 of the draft Appendix.

It was agreed to deal with the settlements and billing issues and the implementation issues (along with the Implementation Work Group) in the A/S work group.

It was further agreed to plan to bring the remainder of the A/S recommendations to the RRG at its 8/23 meeting.

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Ancillary Service Work Group
July 26, 2000 Meeting
RTO West Offices
Draft Meeting Agenda

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|------|---|-------------------|------|
| I | Review/Revise Agenda | Speckman | (5) |
| II | Review Avista Proposal | | (45) |
| III | Review Consolidated Control Area Proposal (45) | Silverstein et al | |
| IV | Discuss Financial Benefits of the Options (15) | Speckman | |
| V | Discuss How To Bring Issue To RRG (20) | All | |
| VI | Review A/S Product Definition (30) | Perrino | |
| VII | Discuss How To Bring To RRG (15) | All | |
| VIII | Discuss Scheduling Coordinator and (20) How To Bring To RRG | All | |

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| IX | Review NWPP Reserve Sharing Procedure and How To Bring To RRG (20) | Ryan |
| X | Discuss Compensation Of Gens For Var Support (20) And How To Bring To RRG | DeClerck |
| XI | Discuss Imbalance Energy Function (30) -Deployment -Penalties -Objective Function | All |
| XII | Review Overall RRG Package and Process (20) | Speckman |
| XIII | Next Issues (25) Settlements and Billing RTO Role In Markets RMS Agreements | All |

Summary of Conference Call on Tues 8/1

Prior to the meeting the revised packages on the control area model, A/S products and services and RRG presentation were distributed. Revisions were made to the latter two and agreement was reached as to the package that would be sent to the RRG. All three packages have been distributed to the work group and are posted on the web.

Presentation to The RRG

Barney Speckman presented the packages prepared by the work group and reviewed on the 8/1 conference call. Several work group members were present to support the proposal and clarify the work group's intent when needed. There were a number of questions about issues that were not addressed by the proposal as reviewed below; there were no issues raised that were considered as unsupportive of the recommendation only comments about how it might be implemented. Based upon the normal pattern established with the RRG they will be reviewing the proposal and give any final thoughts

in a week. Meanwhile they did agree that the work group should use this model as we proceeds to deal with additional issues. Listed below are items that we will likely address. Other items were raised that will be addressed by other groups. A full set of minutes for the meeting will be distributed shortly.

Implementation issues raised.

1. What would be the imbalance energy interval and would that require new meters?
 2. Would this be implemented on an hourly basis or would longer term arrangements also be available to the RTO and then to SCs? Longer term arrangements (especially costs based) were felt to be desirable.
 3. How would a transition be made from cost basis to fully functioning markets?
 4. How would netting of onsite type generation be handled?
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Prepared By Barney Speckman
8/6/00

